

Our position on palm oil

Key message

Vandemoortele is committed to sourcing palm oil that is traceable, deforestation- and exploitation-free as well as certified sustainable.

Background

Palm oil is the most commonly used vegetable oil for food and non-food purposes across the world. In the tropical belt of Southeast Asia, Africa and parts of South America it is used as a common cooking fat. Worldwide it is used as an ingredient in the food industry because of its excellent sensory characteristics and functional properties. The global demand for palm oil has increased significantly, and it is still increasing, as no other alternative edible vegetable or animal oil exists in sufficient quantities and offers the same functional properties.

However, European public opinion has three main areas of concern regarding the use of palm oil in food products: its effects on the environment, on society, and on health.

(1) Environmental concerns

Palm oil production has been linked to deforestation and the loss of peat lands. Both of these hazards cause the loss of biodiversity and the endangerment of animal species. If unregulated, palm oil production can hinder the sustainable development of natural ecosystems.

Despite these concerns, there are important environmental advantages to using palm oil. Above all, palm is the most efficient oilseed crop in the world. Palm trees produce the highest yield per hectare (an average of 3.7MT oil per hectare per year), requiring much less land use than any other vegetable oil alternative. One hectare of oil palm produces 5-10 times more oil than other vegetable oil crops. Palms provide 39% of the global vegetable oil production, while they occupy only 7% of oilseed agricultural lands.

This high productivity, together with the worldwide growing demand for oils and fats, has encouraged the increase of palm oil production.

(2) Social concerns

In some instances, the land conversion required for palm oil production has negatively affected the lives of workers and smallholders, as well as some indigenous and local communities.

However, palm oil production also contributes significantly to the economic development of regions where it is produced. For example, palm oil production provides an important source of revenue for millions of smallholder farmers in Southeast Asia and Africa. In this way, it plays a vital role in rural development and poverty reduction.

A right balance must be found between the conservation of the natural environment on the one hand, and the needs of the local community in terms of economic benefits and social viability on the other.

(3) Health concerns

In some European countries, palm oil is perceived as an unhealthy fat. In those countries, thought leaders, retailers and politicians, among others, try to ban palm oil in food and promote “palm-free” products.

However, there is no scientific proof that consumption of palm oil is related to any specific health concern¹. Health experts recommend a reduction of saturated fatty acid (SFA) intake from all sources – not only from palm oil, but also from butter and cream, for example. From a nutritional perspective, the total fatty acid composition, and in particular the ratio of SFAs to unsaturated fatty acids (UFAs) of the food “as consumed”, is important.

In actual fact, palm oil has a rather balanced composition in terms of fatty acids. It contains saturated and unsaturated fatty acids in near-equal amounts (50% SFAs/50% UFAs). In foods, palm oil is most often used with other vegetable oils and fats with different fatty acid profiles, which together determine the total fatty acid composition (SFAs and UFAs) of the final food.

Scientific studies have shown that, due to its specific fatty acid composition, palm oil does not increase the ratio between total and LDL-cholesterol and the risk of cardio-vascular mortality². The negative impact of SFAs is offset by the positive impact of the UFAs present in palm³.

What is more, other nutrients (such as vitamin E and A) that are also naturally present in palm oil are also beneficial to health¹.

Palm oil is considered a healthy alternative to partially hydrogenated oils and fats containing trans fatty acids (TFAs). The use of palm oil in food has made it possible to reduce TFAs in food products without increasing the total sum of SFAs and TFAs.

Our position

Vandemoortele is a significant buyer of palm oil for use in food products. We use palm oil mainly because of its excellent functional properties and sensory characteristics. Due to its higher melting point, palm oil is naturally solid at 20°C and gives an excellent feel when tasted. Palm oil also offers the right structure for a final smooth and creamy texture.

What’s more, in terms of land use efficiency and productivity, as well as socio-economic development, palm oil can deliver significant benefits. When produced in a sustainable way, palm oil has clear environmental and social advantages compared to other vegetable oils and fats.

¹ Prof. Jean-Michel Lecerf (april 2011), Huile de palme: rapport nutritionnel, (Institut Pasteur)

² Fattore E. et al. (2014), Palm oil and blood lipid-related markers of cardiovascular disease : a systematic review and meta-analysis of dietary intervention trials, Am J Clin Nutr 2014;99:1331-50

³ Mensink RP et al. (2003), Effects of dietary fatty acids and carbohydrates on the ratio of serum total to HDL cholesterol and on serum lipids and apolipoproteins: a meta-analysis of 60 controlled trials, Am J Clin Nutr 2003: 77:1146-55

Vandemoortele is committed to sustainable palm oil sourcing. We are a member of the Round Table of Sustainable Palm (RSPO), GreenPalm and The Forest Trust (TFT). In our Palm Oil Sourcing Charter, dated 1 December 2014, we clearly describe our commitment to responsible palm oil sourcing. Clear targets have been set for fully traceable, deforestation-free and exploitation-free palm oil, as well as for certified sustainable palm oil. We have also committed to publicly reporting on our progress at least annually (www.vandemoortele.com/values). In addition, we encourage our customers to use certified sustainable palm oil and to become members of GreenPalm and/or of the RSPO.

Finally, we believe that palm oil can deliver clear and significant benefits for human nutrition and health. Palm oil has a balanced fatty acid composition, and its use in food has made it possible to reduce TFAs in food products through the replacement of partially hydrogenated vegetable oils and fats, which have a negative impact on health. Specifically, palm oil contributes positively to public health by allowing food manufacturers to optimise the total fat composition of many food products.

After carefully evaluating global, scientific research, Vandemoortele has reached the conclusion that, when sourced in a sustainable way, palm oil is a suitable edible oil for use in the food industry.

Vandemoortele's roadmap to sustainable palm oil

We have been promoting sustainable palm oil for many years. Below are some of the highlights of our efforts in this area.

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| 2009 | Vandemoortele becomes a member of the Round Table of Sustainable Palm (RSPO) and GreenPalm. |
| 2010 | Vandemoortele starts using 100% certified sustainable palm oil for branded retail margarines. |
| 2010 | Vandemoortele earns RSPO certification for all its production sites for margarines, culinary oils and fats (MCOF). |
| 2011 | Vandemoortele strengthens its commitment to use 100% certified sustainable palm oil for all its consumer-branded products by the end of 2015. |
| 2011 | Vandemoortele publishes its first RSPO Annual Communication on Progress (ACOP). |
| 2012 | Vandemoortele obtains RSPO certification for seven bakery production sites, becoming one of the first companies in the sector to do so. |
| 2013 | Vandemoortele becomes a founding member of the French Alliance for Sustainable Palm Oil. |
| 2014 | On 14 February, Vandemoortele becomes a member of The Forest Trust (TFT), committing itself to traceable, deforestation-free and exploitation-free palm oil. |
| 2014 | Vandemoortele launches the Vandemoortele Palm Oil Sourcing Charter, the key elements being: <ul style="list-style-type: none">▪ 100% certified sustainable palm oil by the end of 2015 for branded consumer products▪ 100% of palm oil traceable to known sources (i.e., mills) by the end of 2015 |

- Commitment to engage with palm oil suppliers to eliminate deforestation, protect peat lands and fully respect human rights
- Commitment to report publicly on annual progress

2015 Vandemoortele becomes a founding member of the Belgian Alliance for Sustainable Palm Oil, having also actively participated in other national initiatives promoting the uptake of sustainable palm oil.

2015 Target of 100% certified sustainable palm oil in consumer-branded products achieved. (June)

2016 All our production sites using palm oil become RSPO-certified.

Affiliations

RSPO

The objective of the *Roundtable for Sustainable Palm Oil* is to promote the growth and use of sustainable palm products through a system of certification and audits, based on credible standards and commitments of stakeholders across the entire supply chain (plantations, processors, traders, NGOs, etc.). For more information, visit www.rspo.org/certification

GreenPalm

GreenPalm operates the Book and Claim supply chain option of the RSPO (Roundtable on Sustainable Palm Oil). This supply chain option is one of four provided by the RSPO to either support or use certified palm oil and palm kernel oil. For more information, visit www.greenpalm.org

TFT

The Forest Trust helps its members to turn their values into clear policies, principles and guidelines. "TFT – traceable, deforestation-free and exploitation-free palm oil" means:

- Fully traceable to mill level
- No clearing of high-carbon stock forests
- No clearing in areas of high conservation value
- No planting on peat lands, irrespective of depth
- No burning
- Full respect for human rights, including the right of indigenous and local communities to free, prior and informed consent

For more information, visit www.tft-earth.org